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# THEFT BY DECEPTION!

## Federal Income Tax is Unconstitutional

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The misrepresentation and misapplication of the United States federal income tax constitutes the largest acquisition of wealth by way of deception in history. A handful of government lawyers fabricated an intricate maze of legalese which created a perfectly Constitutional tax (a tax on income derived from certain types of international and foreign commerce), but which at the same time could easily be misread to give the impression that the income of all Americans is subject to the tax. For

decades, the American people have been conditioned to believe that the income tax applies to all income and trained to pay taxes.

All the while, however, hidden in a previously nearly universally misunderstood (therefore misapplied) section of the law known as Subchapter N, Section 861 was the truth that the income tax is NOT a direct tax on incomes but is an indirect tax imposed only on those individuals engaged in certain types of international and possessions commerce. Most Americans are engaged in purely domestic commerce (commerce that occurs entirely within and between



the 50 states). Subchapter N proves that domestic income received by residents of the United States (most incomes) is not taxed, due to Constitutional restrictions on Congress' power to tax.

Reality happens. Reality doesn't give credit for good intentions, and it doesn't give you a second chance because your cause is righteous. Reality often makes innocent people suffer and gives evil people power. Reality is heartless, unbending, and uncompromising. Don't pick a fight with reality. It will win.

My question to each of you regarding the "income tax" fraud is: do you want to be a righteous martyr, or do you want to WIN? If we are to win this, we must understand the game, the players, and the playing field. This message may seem a bit preachy, but it's because I've been obsessed with winning this battle for several years now, and I see a whole lot of people ignoring reality, and that's a really bad idea. So I'm going to make this ranting speech, and then get back to work.

### The Game, the Players, and the Playing Field

Currently the IRS takes about a trillion dollars a year from Americans, allegedly to satisfy "income tax" liabilities. In order to get that much money, the IRS must constantly work to keep the public scared. They cannot possibly go after 100,000,000 individuals, so, like any extortionist operation, they get what they get by making "examples" of a few people, to scare everyone else into line. They don't even bother trying to keep that a secret.

There are many inside the "system" who benefit from the extortion racket and who will do anything to preserve it. And yes, I mean anything. Despite the nifty rhetoric about "representatives," "the will of the people," "democracy," "due process," etc., the reality of the situation is this: people do what is in their OWN interest, and it is not in the interest of those in power to give it away. (If someone didn't want the power to rule his neighbors, he wouldn't have run for office in the first place.) It is in a politician's best interest to destroy anyone who threatens his power. You might like to think we have some special system here to which that doesn't apply, but reality won't bend to suit what you WISH was reality.

There are no magic words which change reality. With very few exceptions, if you tell extortionists the truth, they won't care. If you plead with them to be fair, they won't be. If you give them an impassioned, righteous speech, they will ignore it and step on you. There is a reason lawyers and politicians have a reputation for being slimy crooks: because a whole lot of them ARE slimy crooks. It is inherent in their job. They are parasites, and their livelihood comes from squeezing wealth out of YOU.

Know your enemy. The IRS is not a gang of 90,000 conspiratorially clever scam artists. It is a handful of slimy, dishonest lawyer crooks, and thousands upon thousands of clueless paper-pushers. The bad news is that the clueless paper-pushers, while ignorant of the laws they are supposed to be administering, for the most part don't CARE what the law says. They care what actions will get them a pat on the head from their higher-ups, and what will get them a kick in the pants. While I suppose it's nice that they're not actually TRYING to be law-breaking criminals, they are something that can be just as bad: people who will do the wrong thing because they are "just following orders." If you point it out to them, they will almost always defer to someone else--their supervisor or the IRS lawyers--and pretend they themselves are not responsible. "My supervisor told me to..."

Extorting their fellow man is still "comfortable" for them. Like good little fascists, they do what they are told, regardless of what the law says. They are intellectual cowards, incapable of taking responsibility for their actions, and content to do as their fellow gang members do. Like most people, while they aren't trying to do the wrong thing, they intentionally avoid examining what they are doing. They are the unthinking tools of the hive they work for. I've lost count of how many examples I've seen of a citizen carefully explaining to an IRS agent some procedure or legal point, including really basic stuff that every IRS paper-pusher should know, only to have the bureaucrat respond with "District Counsel told me to..." It doesn't matter how obviously illegal it is. They do what they are told, because they have neither the brains nor the courage to actually think for themselves or take responsibility for their actions. (I think if District Counsel told them to usher "undesirables" onto trains going to concentration camps, most of them would do it.)

With very few exceptions, those inside the system do not understand the truth about the limited nature of the federal income tax. They do what they do because it's what they know how to do, it's what they're expected to do, and it requires no mental effort on their part. This applies to the bureaucrats, lawyers, judges, and politicians. They are intellectually lazy drones, incapable of questioning their view of reality, and unwilling to examine their own actions, especially when doing so would endanger their power. Trying to reason with them is usually about as worthwhile as trying to reason with a mosquito. Their job is to suck your life from you, and it's all they know how to do.

People often ask me, after they learn what the LAW says is taxable, what they should do to keep the IRS away. It's a reasonable question, but it doesn't have a reasonable answer, at least not in the context of playing by the system's rules. We're told the system gives people a chance to present their side, and then a public servant (judge or bureaucrat) will objectively decide what is legal and just. Bull dung. Here is reality: an extortion racket wants your money, and will do whatever they can think of (legal or otherwise) to punish you if you don't pay them off.

That's what we're up against. So what can we do? Complain, petition, and "demand" justice? What if they don't care about justice? What if their own wealth and power is all they care about? What will your "demand" be backed by? Will you hold your breath and stamp until they see things your way? (I'll address what the solution is below.) Politely asking thieves to stop stealing doesn't work. If you try it, expecting positive results, you will end up very frustrated and angry. While that's justifiable, it doesn't accomplish much.

The next group of "players" in this game is the "tax honesty movement," and the "patriot" types. While there is plenty of zeal, effort, opinion, and determination there, what have they accomplished? I would say "nothing," but it's not that good. They have accomplished LESS than nothing, because they didn't understand the game, and thought they could outdo reality with righteousness. Don't do that.

How have they accomplished less than nothing? Well, first we have to look at the playing field, to see what the game is, how it's played, what victory would look like, and what defeat looks like. Right now about 100,000,000 Americans are firmly convinced that: 1) they owe federal income taxes (whether they like it or not); 2) only a wacko would claim that they don't owe it, and; 3) people who refuse to pay always get squashed by the system. Regardless of what the truth is, if they continue to BELIEVE that, the IRS will continue to rake in a trillion bucks a year. That is why the IRS focuses a lot on a propaganda campaign to convince people of those three points (you owe, only a loony would claim otherwise, and if you don't pay you get squished).

Again, reality happens. Despite all the righteous tirades of "tax protestors," and for a moment ignoring whether they are even arguing something correct (they usually aren't), ultimately what matters is whether they have any effect on those three points. Yes, the movement has an effect... in the exact wrong direction. Whatever their noble motives, they deny reality, and then reality smacks them in the head.

What has the "movement" done to the belief that most Americans owe federal income taxes? Has it convinced anyone otherwise? Yes, a few. Has it done anything in the other direction? Yes, lots. "TAX PROTESTOR SENTENCED TO PRISON." What is the effect on the general public from a headline like that? Whatever the "protestor" believed, whether he was right or not, and whatever his motives were, the end result teaches the public that "YOU OWE THE TAX, AND YOU BETTER PAY UP OR YOU'LL GET SQUASHED." Way to go. "But the court was corrupt!" So? REALITY still applies, and the reality is that "patriots" who go down in flames are one of the best tools the feds could wish for.

"But Mr. Schiff, you've been to jail, haven't you?" Early each April, as filing time rolls around, some interviewer brings that up. What is the end result? Mr. Schiff sells some books to a few interested people, and everyone else learns that "YOU OWE THE TAX, AND YOU BETTER PAY UP OR YOU'LL GET SQUASHED." Way to go. (This would be true even if Mr. Schiff was arguing something correct, which he isn't.) Of the few who do pay

attention, they learn another lie about the income tax ("wages aren't income"), and often end up being the next "example" themselves, and go to jail for believing the bogus theory. And what does that teach everyone else? "YOU OWE THE TAX, AND YOU BETTER PAY UP OR YOU'LL GET SQUASHED."

Once again, for the federal extortion racket to continue, the general public must believe that:

- 1) they owe federal income taxes (whether they like it or not);
- 2) only a wacko would claim that they don't owe it, and;
- 3) people who refuse to pay always get squashed by the system.

That is REALITY, and it doesn't even depend on what is true. Conversely, the

IRS cannot continue if even a significant minority of the general public even slightly suspects that:

- 1) they don't really owe the tax, and;
- 2) it's possible to not pay without ending up in the "big house" or the poor house.

Notice, what the LAW says isn't even in the equation yet. If the general public really believed that only people who wear purple hats are subject to the income tax, the IRS would collapse, being unable to coerce millions of individuals into paying. Personally, I'd greatly prefer that the fraud end because people learn the TRUTH, but reality doesn't even require that.

The IRS thrives on making "examples" of people, whether it be famous people (Willie Nelson, Leona Helmsley, etc.), or "tax protestors." As long as there is widespread fear of the IRS, there will be widespread "compliance" with the IRS' misapplication of the law. Has the "movement" done more to INCREASE the fear, or reduce it? I don't care what the motives were; what was the end result? PEOPLE ARE SCARED TO DEATH OF THE IRS.

In case I haven't bashed the "movement" enough, I should add this: what would things look like if all those bogus "tax protestor" theories had never been made? What if the whole battle was between incorrect conventional wisdom, and what the LAW actually says is taxable? The fraud would have fallen years ago. It is the "movement's" muddying the waters and confusing people, as well as giving the feds a chance to shoot down all sorts of goofy theories, that has CONFIRMED conventional wisdom in the eyes of the public. I know it was true in my own case. I don't even want to think how many hours I wasted looking into the countless incorrect and/or irrelevant theories out there, before







someone pointed me to where the LAW tells the truth. If the feds should be thanking the "tax protestor" movement for doing such a good job distracting from the truth.

Ultimately what the PUBLIC believes is what determines how long the fraud will last. As long as a small minority of people know the truth, the system will be able to unjustly squash them, and most people won't know or care. When a group is small, the feds have no problems vilifying them and then crushing them by force. (Ask a Branch Davidian about that some time.)

So what are the results of the efforts by the "movement" to convince the general public? Not good. We must understand human psychology and faith if we are to win. Based on its actions, I am convinced that the "movement" understands neither. Make no mistake; this is first and foremost a propaganda war. If we don't win the hearts and minds of the general public, we lose. It doesn't matter if we're "legally" right, or if we present our position just right, or how honest and righteous we are. If the majority is against us, we lose. With that in mind, let's look at our "target audience," and see what we're up against.

The average American knows almost nothing about tax law. Mainly what he knows is what he hears in the media, from politicians, and maybe from his accountant. Understandably, he has a hard time believing that all those "experts" could be 100% wrong, so even though he has ZERO personal knowledge of tax law, his "faith" in conventional wisdom is solid. To be blunt, it sounds pretty loony to him to hear someone say "ya know, you don't really owe income taxes." Yeah, sure, and the world is really flat, and there are aliens in my attic.

We have the proof in the law that the "income tax" is far more limited than conventional wisdom says, but how do we convince the public of that? Here's a hint. We don't do it like this: "YOU'RE NOT REQUIRED TO PAY INCOME TAXES DID YOU KNOW THAT EDUCATE YOURSELF!!!!!"

Most of you know what I'm talking about: all those goofy "tax protestor" articles that look just like that. What is the effect on John Doe when he reads that? He probably concludes something like this: "illiterate lunatics think I don't owe income taxes." And guess what... he'd be RIGHT. A bunch of loonies DO think that, and it is precisely because of that that the general public has such a hard time considering the truth when it's put in front of them. All the uninformed "tax protestor" types give the feds the perfect guilt-by-association tool.

I believe I don't owe income taxes.

A bunch of wackos believe they don't owe income taxes.

Therefore, I am a wacko.

That's bad logic, but it's an easy mistake for people to make, and they often do. In trying to get the truth out, we don't just have to overcome the incorrect conventional wisdom; we have to overcome all the goofy, incorrect arguments that anyone has made previously with a similar-sounding "punchline." I cringe every time I start to explain to someone what the LAW says, only to have them respond with "oh, I heard something about that... the law is unconstitutional, right?" Gack! I don't just have to correct what's wrong with what "everyone knows"; I have to correct what's wrong with every goofy theory every forwarded by someone with a web site.

I don't mean to sound too negative. The truth is spreading like wildfire, including among segments of society that don't at all fit the "patriot" stereotype. (In fact, I'm tempted to just ignore the "movement" entirely, and focus on all the people who don't already have some vested interested in some theory or argument.) But I get a little annoyed when I have to spend as much time refuting the mistakes of the "movement" as I do countering the misinformation from the feds.

But there is another, equally important issue, besides just the legal issue itself, and that is human psychology. If people don't CARE, or can't imagine there's anything to what you're saying, they don't bother looking into it. How they perceive the situation, and you, and me, and the feds, determines what they will learn and what they will do. If it looks to John Doe like Protestor Fred is just trying to not pay his taxes, when John pays his, John will most likely resent Fred, and snicker when he gets thrown in the slammer. Unfortunately, the "movement" LOOKS like tax protestors to the general public. (Sometimes it's because they ARE tax protestors.)

If you're arguing that the 16th wasn't properly ratified, you're arguing that you shouldn't have to pay, because you don't like paying. That's what it looks like to John Doe. If you're arguing that the tax is unconstitutional, you're just a whiner who doesn't want to pay his fair share. That's what John Doe sees. If you are demanding that the IRS shows you where the law makes you liable for the tax, you're just a trouble-maker in the eyes of John Doe.

Notice, I'm not saying that's what you are. I'm saying that's what it LOOKS like to the general public, and ultimately, that is what matters. If you ask where the law makes you liable, obviously the IRS ought to be able to answer. But even that LOOKS like a "protest" to the casual observer, including those who have a strong dislike for the IRS. We can complain that it shouldn't look like that, but it does. Don't pick a fight with Reality.

Even asking the government to answer reasonable questions, in and of itself only goes so far. By itself it doesn't convince the public of anything. "Yeah, the IRS should answer their questions, but everyone knows you have to pay, so who cares?" Even an honest petition doesn't get public support if the public doesn't understand the questions, doesn't bother to look into it, and doesn't expect the feds to be reasonable, and doesn't care that they're not.

I got a first-hand example in Washington DC, at a hearing before the Senate Finance Committee, at which some witness (I forget her name) was testifying about what should be done with those evil folk who don't pay their fair share (relating particularly to the ad by "We The People" in USA Today). It was almost an afterthought when she suggested that maybe the feds should just publicly answer the citizens' questions. I felt like standing up and yelling "No #\$@%, Sherlock!" but I didn't really want to go to jail.

The point is that, while people may think the feds should honestly answer reasonable petitions, they don't think it's anything all that horrible if they don't. John Doe basically thinks "yeah, I guess the feds should just answer the questions of those goofy wackos, but everyone knows we have to file and pay." He doesn't become convinced that conventional wisdom is wrong; he just thinks the bureaucracy is sort of unfair and nasty, which he already knew anyway. "Yeah, the IRS is nasty. Everyone knows that. You might as well just do what they say." You can have tantrums about how people shouldn't have that response, but they DO, so deal with it.

So now we come to the solution, not just what is correct, or what is righteous, but what WORKS. What can actually WIN this battle? We don't need more martyrs, and we don't need to give the feds more "examples" to point to. We need the attention of the public, and then we need to win their hearts and minds.

We need the public to notice the issue, to take it seriously long enough to look into it a bit, to quickly get a decent understanding of it, to give them what they need to confirm it for themselves, and to give them hope that the fraud can be ended. While Operation "Glove in Face" (see the link below) may just look like an emotionally-based challenge, it was designed with REALITY in mind.

I've already seen a lot of anecdotal evidence about the effects this approach has on the general public.

- 1) First, they take notice, and they remember it. Whatever they know about the issue, and even if they hope I DO get thrown in jail, they remember that someone is openly DARING the feds to prosecute him.
- 2) They quickly see that this isn't someone just hiding, and trying to get away with not paying what he owes. They see there is much more to it, and that the purpose is to battle an alleged fraud, not just to get one person out of not paying his "fair share."
- 3) They see that it's not a complaint about the law. While they only get a brief little taste of the actual issue, it's enough to show them that it's not just someone whining that his taxes are too high. Again, whether they BELIEVE it or not doesn't even matter when they first see it.
- 4) They see where they can go to see for themselves what it's all about, rather than just believing some lazy "reporter" whose in-depth research consists of quoting some bureaucrat saying "its frivolous."
- 5) They see that, at least for now, someone openly resisting the IRS is not in jail. Whether they expect or even want me to be prosecuted, it gets their attention that someone would do such a thing, and that he hasn't yet been prosecuted for doing it. (Remember, that is one of the essential ingredients to the preservation of the extortion racket: the public believing that "resistance is futile," and anyone who doesn't pay ends up in the slammer.)
- 6) The message of Operation "Glove in Face," and the message of the "Theft By Deception" video, when it finally sinks in for John Doe, has a very different result from anything else I've seen. While all the theories and arguments look (to the public) like someone trying to get out of paying "his taxes," the message should be that YOU (John Doe) have been DEFRAUDED. It's not that there's some loophole, or some way to get out of paying "your taxes." It's that you were intentionally deceived by lawyers and politicians who wanted your money. It's nothing more than an illegal swindle... just a really BIG one. When people finally see for themselves that they have been robbed, they get angry, and they get on board the cause. I've seen it over and over again.

For the zillionth time, this fraud WILL fall. If you want to make it happen faster, I invite anyone to distribute this far and wide, as a flier, as a newspaper ad, etc.

I have seen it over and over again. It is what WORKS. It is what will get the attention, and then the support, of the general public. Don't just have good intentions; have good

RESULTS. Let's take down this monster before it chews up any more innocent victims.

Sincerely,

Larken Rose

**SOURCE** 

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"If we stuck to the Constitution as written, we would have: no federal meddling in our schools; no Federal Reserve; no U. S. membership in the U.N.; no gun control; and no foreign aid. We would have no welfare for big corporations, or the "poor"; No American troops in 100 foreign countries; no NAFTA, GATT, or "fast-track"; no arrogant federal judges usurping states rights; no attacks on private property; and no income tax. We can get rid of most of the cabinet departments, most of the agencies, and most of the budget. The government would be small, frugal, and limited."

#### -CONGRESSMAN RON PAUL

## Visit Dr. Ron Paul's Website

"Do not rich men oppress you, and draw you before the judgment seats? Do not they blaspheme that worthy name by the which ye are called?" —James 2:6-7



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